STRATEGIC MANAGEMENT IN THE KENYA RED CROSS SOCIETY

BY

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DECLARATION

This research project is my original work and has not been presented for any other degree in any other university.

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This project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

I dedicate this study to my family; Joseph, David and Neema for their great inspiration to me.

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To God be the glory for this far he has brought me. I would also want to appreciate the big support I have received from my family during the period I was carrying out my research project. Special thanks to IFRC management for the sponsorship that has enabled me pursue this degree course. God bless you all.

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ABSTRACT

Strategic management is the art, science and craft of formulating, implementing and evaluating cross-functional decisions that will enable an organization to achieve its objectives. It is the process of specifying the organization's mission, vision and objectives, developing policies and plans, often in terms of projects and programs, which are designed to achieve business objectives, and then allocating resources to implement the policies and plans, projects and programs. Strategic management seeks to coordinate and integrate the activities of the various functional areas of a business in order to achieve organizational objectives. Strategy implementation is normally evaluated to determine the effectiveness towards achieving the objectives.

This study sought to determine the strategic management practices in Kenya Red Cross Society. The study was carried out to fulfill the following objectives, to establish the extent to which strategic management has been adopted in Kenya Red Cross Society, to determine the factors influencing the adoption of strategic management in Kenya Red Cross Society and to identify the challenges faced by Kenya Red Cross Society in applying strategic management.

To achieve the above stated objectives, case study design was used. The study respondents were the top management staff of KRCS who are, the Chief Executive Officer, the Deputy Chief Executive Officer and heads of departments in Disaster Management, Health Care, Organizational Development and Finance and Administration. Interview guide was used to conduct personal interviews in order to collect primary data. For purposes of this study, content analysis was used in data analysis.

The study revealed several factors which influenced adoption of strategic management practices in KRCS. They include, to strategically position KRCS in the NGO industry and to effectively and efficiently serve Kenyans, for purposes of sourcing for funds from local and international donors. Other factors are, to adapt strategies of the wider Red Cross movement and to also to align the organization with the National Development Goals in Kenya.

Challenges faced by KRCS in implementation of the strategic plans emanate from both internal and external environments. Some of the internal challenges include overstretched resources due to frequent and enormous occurrence of emergencies, budgetary constraints,

difficulty in retaining volunteers for long periods, lack of clear understanding of the strategic plan by low cadre staff and volunteers and dealing with emergencies of all forms, hence little time allocated for evaluation. Challenges that emanate from external environment are political interference, poor infrastructure in Kenya, negative media publicity, very high expectations from the beneficiaries whose numbers are overwhelming and insecurity in some areas of Kenya such as Mt Elgon during the 2007 ethnic clashes.

The research had some limitations. The researcher faced difficulties in getting KRCS staff spare time to meet and carry out interviews due to their busy time schedules dealing with emergency responses and reporting. This resulted to relatively shorter interview sessions than expected hence, failure to obtain in-depth information. Some respondents felt that they were giving out too much information and were at times hesitant to respond. This resulted, to some extent, in less detailed information than expected to complete this study. The study was also carried out within a short period of time and therefore, concentrated only on senior management of KRCS. The researcher feels that the study would have been richer if other staff and stakeholders were also interviewed. However, the findings are adequate to respond to the objectives of this study.

The following areas are suggested for further research. Whereas the current study focused on responses from the senior management of the KRCS, future studies should focus on responses from the employees, volunteers, donors and beneficiaries. Future studies should seek to establish the nature, extent and adoption profile of strategic management practices within the private and public organizations in Kenya.

TABLE OF CONTENTS

LIST OF TABLES

ABBREVIATIONS AND ACRONYMS

ARCHI	Africa Red Cross/ Red Crescent Health Initiative
CSF	Critical Success Factors
ECOSOC	Economic and Social Council
ICRC	International Committee of the Red Cross
IFRC	International Federation of the Red Cross and Red Crescent Societies
KRCS	Kenya Red Cross Society
NGO	Non-Governmental-Organization
PEST	Political, Economic, Sociological and Technological influences
SP	Strategic Plan
STEP	Sociological, Technological, Economic and Political
SWOT	Strengths, Weaknesses, Opportunities and Threats
ISPs	Internet Service Providers

CHAPTER ONE: INTRODUCTION

1.1 Background

Strategic management is a continuous process that involves attempts to match or fit the organization with its changing environment in the most advantageous way possible (Pearce and Robinson, 2002). Strategies are the means by which long-term objectives will be achieved. Strategies are unified, comprehensive and integrated plans that relate the strategic advantages of the firm to the challenges of the environment. They are designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization (Thompson and Strickland, 2001). The role of strategy is to identify the general approaches that the organization utilize to achieve its organizational objectives. Therefore, the choice of strategy is so central to the study and understanding of strategic management.

1.1.1 Strategic Management

The business environment in which firms operate is dynamic and turbulent with constant and fast paced changes that often render yester-years strategies irrelevant. Top management and decision makers of firms must constantly think strategically about the future of their organizations. The environmental turbulence necessitates an equal need for rapid recognition of appropriate strengths, opportunities to be exploited, threats to be countered and weakness to be overcome (Pearce and Robinson, 2002).

Strategic management calls for the determination of the basic long term goals and objectives of an enterprise and the adoption of courses of action and allocation of resources necessary to carry out the goals. Planning is a conscious systematic process during which decisions are made about mission, values, goals , strategies, priorities and activities that an organization, and by extension industry players will pursue if they are to survive and remain relevant in the future, amidst a constantly volatile environment. Strategic planning is not a matter of coming up with a detailed plan or program but can be termed as a unifying theme that gives coherence and direction to actions and decisions (Grant, 1998).

The use of strategic management enables firms define their strategies which provide a central purpose and direction to its activities to people who work in the firm and often to the outside world. Strategic planning and implementation enables firms to adapt under conditions of external pressure caused by changes in environment. Firms can and often do create their environment besides reacting to it. Strategic management helps firms develop competitive strategies (Johnson & Scholes 2002). In developing strategy, firms carry out an analysis of their environment, their industry and competitors and gauge how they can outperform their competitors. Strategic planning also helps firms focus their efforts and resources on their key success factors and cultivate a culture of being proactive. By implementing strategic plans firms are able to respond to the turbulent environment in an appropriate manner, to ensure their continued survival and profitability hence providing the shareholders with value for money invested (Porter, 1998).

1.1.2 Non-Governmental Organizations

Non-governmental organizations (NGOs) are generally accepted to be organizations which have not been established by governments or agreements among governments. A wide variety of NGOs function in intractable conflicts. These include conflict resolution NGOs, as well as those in humanitarian assistance, development, human rights, peace building, and other areas.

While it is often argued that NGOs are the voice of the people, representing grassroots democracy, a counter argument is made that NGOs have tended to reinforce, rather than counter, existing power structures, having members and headquarters that are primarily in the rich northern countries. Some people also believe that NGO decision-making does not provide for responsible, democratic representation or accountability. NGOs themselves can be local, national, or international. Sometimes international NGOs are referred to as INGOs. Historically, most NGOs accredited to the United Nations Economic and Social Council has been international, but contrary to the popular wisdom, even the first group of NGOs accredited to ECOSOC in the 1940s included some national NGOs.

The Kenyan NGO Co-ordination Act (1990) defines an NGO as any private voluntary grouping of individuals or associations not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the promotion of social welfare.

development, charity or research through the mobilization of resources. By this definition, any organization that is both non-governmental and non-profit, can and has been termed as an NGO. Most of the NGOs in Kenya operate in areas including: Economic Empowerment, Charity, Advocacy, Health, Disaster Response, Environment, Education, ICT, Civic Engagement, Foundations, Arts & Culture, Corporate Social Responsibility, and Research Think Tanks, to name a few. Since Kenya's Independence in 1963, NGOs have provided many of the social services that the government has not been able to provide. Moreover, NGOs have strengthened the civil sector to give the Government of Kenya the support and critical eye that it needs to progress.

KRCS operates as a Non-Governmental-Organization. The number of NGOs in Kenya has grown over the last quarter of the 20th century. For instance, NGOs registered a cumulative growth of over 100% between 1977 and 1987. According to data compiled from the 2005 National Directory of NGOs in Kenya, as published by the Council of NGOs, it was indicated that there were a total of 2,172 registered NGOs in Kenya by the year 2005. Most of them are registered under the Ministry of Culture and Social Services.

It is obvious that there has been a noticeable increase in the numbers of NGOs in Kenya. Majority of them, especially the large ones, do practice strategic management. Some of the reasons why they practice strategic management are to fulfill donor requirements, to position themselves within the industry and to be able to optimally allocate their resources.

The NGO sector in Kenya has encountered some challenges in implementing strategies. One cause of these challenges is that the Kenyan Government in the recent past years has made it possible for all people to access some basic needs at a very subsidized cost or no cost at all. These are basically health care, medical services and primary school education. This means NGOs that were originally aiming at providing such services had to shift their goals and strategies.

There has been stiff competition among NGOs providing similar services. This at times results to duplication of service provision and causes conflicts. Some NGOs have result to scaling down their operations in Kenya if not closing down and relocating.

1.1.3 Kenya Red Cross Society

The Kenya Red Cross Society (KRCS) is a humanitarian relief organization created through an Act of Parliament, Cap 256 of the Laws of Kenya of 21st December 1965. Previously the Society existed as a Branch of the British Red Cross between 1939 and 1965. As a voluntary organization, the Society operates through a network of 56 Branches with its activities spread throughout the country. Currently the Society has about 69,000 members/volunteers who assist in implementing activities at Headquarters and Branch levels. Membership to the Society is open to everyone without any discrimination based on race, sex, religion, class, political opinion or nationality. The Society, which gained recognition by the International Committee of the Red Cross (ICRC) in 1966, is also a member of the International Federation of the Red Cross and Red Crescent Societies (IFRC) since 1967.

Kenya Red Cross Society's mandate is provided for in Article 3 of the KRCS Revised Constitution (2005) and referred to as the Objects of the Society which stipulates that, the society will act in case of armed conflict, and in peace prepare to act in all the fields covered by the Geneva Conventions and their Additional Protocols and on behalf of all war victims, both civilian and military and will contribute to the improvement of health, prevention of disease and the mitigation of suffering. KRCS will organize within the scope of the National Plan, emergency relief services for the victims of disasters, howsoever caused and will educate the population on how to prepare for and respond to disasters, howsoever caused. It will also promote the participation of children and youth in the work of Red Cross and Red Crescent, will promote the Fundamental Principles of the Movement and those of International Humanitarian Law in order to develop humanitarian ideals amongst all nations, and in particular among the children and youth and will recruit, train and assign such personnel as are necessary for the discharge of its responsibilities. Finally KRCS will co-operate with the public authorities to ensure respect for International Humanitarian Law and to promote the Red Cross and Red

Crescent Emblems. In pursuing the mandate referred to above, the Society shall not make any adverse distinction founded on sex, race, nationality, religion or faith, political opinions or any other similar criteria. The Society shall act in accordance with the spirit and principle of the Scheduled Convections.

KRCS faces some challenges in implementing its strategies and achieving its objectives. One of them being that since the organization deals with emergencies that occur frequently, are enormous and occasionally unprecedented, it sometimes lacks the technical capacity to respond adequately. Another challenge is difficulty in retaining large numbers of volunteers all over the country to intervene in such emergencies. Like any other NGO, KRCS mostly depends on donor funding. Sometimes it takes long from the time an appeal is launched for funding a disaster response and when the funding is received. This causes distress both to KRCS and the beneficiaries. In some instances, when the organization fails to adequately account and report to a donor, the donor may withdraw future funding causing budgetary constraints.

1.2 Statement of the Problem

Strategic management positions and relates the organization to the environment to ensure its success (Ansoff and McDonnel, 1990). Organizations, in order to achieve their goals of providing quality products; profitability and competitive advantage over their rivals must practice strategic management. Strategic management involves organizations carrying out environmental analysis. This encompass scanning the internal and external environments, this information is used to make intelligent and informed choice of the most appropriate course of action for the future. Implementation is putting the selected course into action. This requires competencies and recourses which the organization must be able to identify and properly allocate.

Kenya Red Cross Society plays a strategic role in the lives of Kenyans by responding to emergencies and providing the required humanitarian assistance, which include food, shelter and clothing. In 2002, KRCS developed and launched its first three-year strategic plan (SP) for the period 2003–2005 as an overall framework for planning and implementing its programmes. The new Kenya Red Cross Society Strategic Plan 2006-2010 presents the strategic directions that will guide the society for the next five years to realize its vision. While this new plan will continue to provide the framework for systematic approach to the implementation of the Society's programme activities, it is anticipated that it will also form the basis for resource allocation for the various programme areas.

To date few researchers have addressed the strategy-making processes of Not for Profit Organizations (O'Regan and Ghobadian, 2000). The limited research that has been undertaken is deeply rooted in the business sector and relates to the strategy development process. Furthermore, little or no research has been undertaken on the difficulties that firms experience in the deployment of their strategic plans. For instance, Abdullahi (2000) did a study on the strategic responses by Kenyan insurance companies following liberalization. Njau (2000) did a study on the strategic responses by firms facing changed competitive conditions and focused his study on East African Breweries Limited. Kandie (2001) focused on Telkom Kenya Ltd, Thiga (2002) focused on airlines facing changing environmental conditions, Goro (2003) focused on the banks while Kiptugen (2003) focused on the Kenya Commercial Bank. Migunde (2003) on the other hand focused on the Kenya Broadcasting Corporation while Mugambi (2003) focused on tourist hotels in Nairobi.

None of the above studies focused on strategic planning practices of humanitarian service providers. Accordingly, this study attempted to bridge the knowledge gap by seeking answers to these research questions, to what extent have strategic management practices been adopted in Kenya Red Cross Society, what are the factors influencing the adoption of strategic management in Kenya Red Cross Society and what are the challenges faced by Kenya Red Cross Society in application of strategic management practices?

1.3 Objectives of the Study

The study was guided by the following objectives:-

i. To establish the extent to which strategic management has been adopted in Kenya Red Cross Society.
ii. To determine the factors influencing the adoption of strategic management in Kenya Red Cross Society.
iii. To identify the challenges faced by Kenya Red Cross Society in applying strategic management.

1.4 Significance of the Study

The study, it is hoped, will assist other humanitarian service providers in understanding how to respond to the kind of challenges experienced by Kenya Red Cross Society in implementing strategic plans.

The personnel charged with the responsibility of charting the strategic direction of their various organizations will get information on strategic planning practices of the Kenya Red Cross Society, which will enhance their decision making and policy design or improvement.

The findings will also contribute to the existing body of knowledge in the area of Strategic Management. It will also inspire future researchers to carry out further research in the same or related field.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the literature related to the purpose of the study. The chapter is organized according to the objectives in order to ensure relevance to the research problem. The review was undertaken in order to eliminate duplication of what has been done and provide a clear understanding of existing knowledge base in the problem area. The literature review is based on authoritative, recent, and original sources such as journals, books, thesis and dissertations.

2.2 The Concept of Strategy

The core concept of strategic management is strategy. Strategy is fundamental in the planning process since strategic decisions influence the way organization respond to their environment. Strategy can be said to be that unified comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization (Jauach and Gluek, 1984).

Strategy is large scale, future-oriented plans for interacting with the competitive environment to optimize achievement of organizational objectives (Pearce and Robinson, 2002). Strategy also, selects the business the organization is to be in or is currently in, determines and reveals the organizational purpose in terms of long term objectives, action programs and resource allocation priorities. Strategy also attempts to achieve a long term sustainable advantage in each of the organization's business, by responding properly to the opportunities and threats in the organization's environment, and strengths and weaknesses of the organization. It is a coherent, unifying and integrative pattern of decisions and it engages all the hierarchical levels of the firm (corporate, business and functional). Finally, strategy also defines the nature of the economic contributions it intends to make to its stakeholders (Hax and Majluf, 1991).

The above definition views strategy as incorporating the organization's future and its adaptation to a turbulent environment. Approaches to strategic management can be classified into two groups: analytical and behavioral. These approaches are based on their view of dominant variables in strategy development. The focus is on the various strategy importance techniques such as portfolio planning, forecasting, competitor analysis, strengths, weaknesses, opportunities and threats (Hussey, 1990). The rational – analytical view to strategy formulation provides one of the process organizations can be use to formulate their strategies (Ansoff, 1984). Using this process, managers make strategic decisions after carrying out a rational analysis.

The behavioral approach lays its emphasis on the behavior of people in the organizations. This has gained prominence over the years (Hussey, 1990). It focuses on the behavioral and political aspects of strategic management. This process states that strategy is influenced by the power relationships and behavioral factors in a firm (Kottler, 1982). Emphasis is on multiple goals of the organization, the political aspects of strategic decisions, and the importance of bargaining and negotiation and the role of coalitions in the strategy making process.

None of the above two process would explain the strategy formulation in isolation. They are both necessary in order to maximize on the benefits of strategy making and should be combined in the strategic management process (Hax and Majluf, 1991).

2.2.1 Functions of Strategy

Strategy helps to provide the basic long-term direction for the organization, enabling it to set up a clear direction so that the managers are able to focus on the future while still ensuring the urgent functions are undertaken (Grant 1998). It helps the organization cope with change (Pearce and Robinson, 2002). Given that the organization is part of the external environment, it is important that it is able to constantly cope with the changes to ensure a strategic fit and failure to do so results in a miss-match with the environment. Strategy also helps an organization develop competitive advantage in the market and this enables it stay ahead of competition (Porte, 1998). It enables the organization to focus its resources and efforts through proper resource allocation resulting to enhanced effectiveness (Pearce and Robinson, 2002).

The biggest limitation with strategy lies in its orientation. It deals with focusing into the future which may prove difficult due to the turbulent nature of the environment. An organization's ability to forecast into the future is dependent on the level of turbulence in its environment (Ansoff and Sullivan, 1993).

2.3 Strategic Management Process

According to Johnson and Scholes (1993), one of the solutions successful organizations use to cope effectively with the challenges of our competitive world is "strategic management". In the management literature this concept may also be found in terms of "business strategy process" or "corporate strategy". More or less all writers mean the same thing. They simply "... describe the same process from different perspectives and highlight different aspects" (Fidler, 1996, p. 50). For the purposes of this study the term "strategic management" will be used, incorporating ideas from other terms as well.

Strategic management is a process that involves the review of market conditions, customer needs; competitive strengths and weaknesses, socio-political, legal and economic conditions; technological developments; and the availability of resources that lead to identification of opportunities or threats facing the organization (Pearce and Robinson 2002). It plays a key role in achieving balance between the short term and the long term. This definition is further reinforced by Grant (1998) who states that strategic management involves decision making about long term goals and strategies, and therefore has a strong external orientation.

Strategic management is a conscious systematic process during which decisions are made about mission, values, goals, strategies, priorities and activities that an organization, and by extension industry players will pursue if they are to survive and remain relevant in the future, amidst a constantly volatile environment (Johnson & Scholes 2002). Strategic management refer to the process of how strategic planning, implementation and evaluation of an organization or business unit is undertaken. It also refers to how the stages of the planning process are performed e.g. the planning process is formal or informally taken.

Approaches to strategic management range from top-down, bottom-up and negotiated approach. The tools and techniques used in strategic planning include SWOT analysis, Portfolio analysis, Porters Five Forces Model, Scenario planning, Value Chain analysis and Functional analysis. The process of strategic planning involves situational analysis, development of mission statement, external analysis, internal analysis development of objectives, development of strategies, and development of appropriate budgets, reward systems, information systems, policies and procedures (Muriuki, 2005).

2.3.1 Strategic Planning

Ohmae (1983) encapsulates the meaning of strategic planning when he states that business strategy is about competitive advantage. The sole purpose of strategic planning is to enable a company to gain, as efficiently as possible, a sustainable edge over its competitors. Strategic planning thus implies an attempt to alter a company's strength relative to that of its competitors, in the most efficient and effective way. Strategic planning focuses on the direction of the organization and actions necessary to improve its performance. It is the process by which firms derive a strategy to enable them to anticipate and respond to the changing dynamic environment in which they operate (Hewlett, 1999).

Strategic analysis, according to Johnson and Scholes (1993), includes the environment, the resources, and the culture and the stakeholders' expectations. The examination of the environment is the first step in strategic analysis and involves the identification of the organization's current strategic position. This procedure may also be called "environmental scanning", which Pashiardis (1996) believes is essential for an effective planning. One needs to know the environment in which one operates before making any decisions about the organization, so as to be able to match one's capabilities with the environment in which the organization operates. A very useful framework that allows gathering and analyzing complicated information in an organized way is what is known as political, economic, sociological and technological influences (PEST or STEP), after Boyett (1996). The political influences cover both the legal and political environment, whereas the economic influences involve the economic climate in which any organization or business operates. The sociological influences involve demographic issues, income distribution, lifestyle changes or even attitudes to work or leisure and the technological influences bear in mind the technological changes. In brief, we could say that organizations perform better if they have the ability to sense changes in their environment, since they have the opportunity to modify their strategy in time.

The second domain is the resources. Successful organizations should constantly review and analyze the quality and quantity of their resources, which include human, financial, physical and intangible ones. Resource analysis will provide the way for assessing the organization's strategic capability (Johnson and Scholes, 1993). This is necessary if sensible choices about the future strategy are to be made. Dobson and Starkey (1994) suggest that a resource audit can be undertaken through a SWOT analysis. SWOT stands for Strengths and Weaknesses, which involve the internal environment, whereas Opportunities and Threats involve the external environment of the organization. We would definitely agree with Holmes and Davies (1994) who claim that, if strategic planning is successful, then it will help organizations to build on their strengths, overcome their weaknesses, take advantage of the opportunities and minimize the effect of threats.

The last area to investigate in strategic analysis is the culture of the organization and the stakeholders' expectations. One way of finding out the culture of an organization is by using the cultural web, which examines six different issues. Johnson and Scholes (1993) explain the web as the organizational structure that shows the way an organization works, power structure shows those who hold the power or the decision-makers and symbols present the nature of the organization. The cultural web also examines stories that are told by the members of the organization which provide insights into its beliefs, routines and rituals and are things that happen every day and control systems that tells what is important to the organization.

With the cultural web we can describe the organization's culture as a whole and decide in what ways we might need to change it to meet the objectives set by management (Boyett, 1996). We should also have in mind the stakeholders' expectations, since, as Fidler (1996) argues they are those who have a special interest in the performance of the organization and their views and ideas should be borne in mind when thinking about a possible future strategy.

Strategic choice follows strategic analysis and also includes three areas and they are, generating options, evaluating options and making a choice (Fidler, 1996). By generating options we mean the courses of action that are available to the organization and which derive from strategic analysis. The strategic options that management faces are numerous. Finding a way to evaluate these options is the next step. In evaluating an option Dobson and Starkey (1994) suggest three broad criteria. Suitability which is the ability of the strategic option to overcome the difficulties identified in the strategic analysis, feasibility which is an assessment of how this option might work in practice and acceptability of consequences of the risk to interested parties by selecting this particular option.

The last step is to make a choice, that is to select a strategy or strategies that prove to be the most viable. Dobson and Starkey (1994), point out that three different ways can be used: competitive strategies (try to achieve a superior profit compared with rivals), development strategies (decide the most appropriate direction or method in which the organization must move) and portfolio strategies (maintain a portfolio of activities). Bearing all these things in mind, management has to generate some choices, evaluate them and select those strategies that the organization will pursue. In the following section an attempt will be made to discuss strategy implementation in some detail.

The importance of having a voice in the planning process transcends the organization itself. As Hamel (1996) noted, organizations operating in the current global economy need to consider input from all stakeholders – foreign and domestic alike. In addition to improving the quality of the strategic plan, allowing individuals to participate in the decision making process can also have ancillary benefits such as improved job satisfaction (Daniels and Bailey, 1999) and lower anxiety about their job security (Stahl, 1998). Does all of this involvement from internal and external stakeholders nullify the need for involvement of members of senior management? Absolutely not! What this means is that the role these senior managers play will change from the traditional, autocratic, elite roles of the past to more facilitative roles. Schonberger (1992) persuasively suggested that the senior leader, especially, should play a key role in aggregating information from within the organization and outside of the organization to be assimilated into the overall strategic planning process.

2.3.2 Strategy Implementation

Regardless of the steps involved in the planning process, one of the most important steps is implementation. It is obvious that best of business strategies, if poorly implemented, is doomed to fail (Picken and Dess, 1996). It is not the plan itself that is important, but the action that the plan elicits. In fact, Mintzberg (1993) acknowledged that placing too much focus on the "plan" could actually hinder action instead of promoting action. Therefore, it appears that plans should be designed with specific attention to details associated with implementation to ensure that the plan serves a purpose beyond collecting dust on someone's bookshelf.

For effective implementation, there is need to translate strategy into more detailed actions and policies that can be understood at the functional level of the organization. The expression of the strategy in terms of functional policies and actions also serves to highlight any practical issues that might not have been visible at a higher level (Johnson and Scholes, 2003). The strategy should be translated into specific policies for functional areas such as: marketing, research and development, procurement, production, human resources, finance and information systems. In addition to developing functional policies, the implementation phase involves identifying the required resources and putting into place the necessary organizational changes.

Implementing a strategy encounters various problems of which management needs to be aware and to plan how to handle them. Johnson and Scholes (1993) believe that the main ones are planning and allocating resources, organizational structure and design and managing strategic change. Knights *et al* (1994), states that, to achieve a strategy, resources will be required and will need to be allocated. Therefore, organizations need to consider ways of acquiring resources and deploying them in the best possible way to support the strategies. Furthermore, they need to consider the issue of how resources should be allocated between the different parts or departments of the organization. As far as organizational structure is concerned, it could be said that it is a very significant aspect, since the way people are organized is crucial to the effectiveness of strategy. Johnson and Scholes (1993) describe organizational design as the development of flesh on the structure, which becomes a means of a top-down control.

Finally, strategic management is concerned with the management of strategic change. Fullan (1992) considers change as a process of learning new ideas and things. Management should have the ability to realize when the present strategy is no longer adequate and be aware of when change is necessary. Kotter and Schlesinger (1991) claim that change usually brings some form of human resistance. They suggest that one way to overcome this resistance is to educate people beforehand and try to avoid the two most common mistakes managers make, which are: to use only one approach or a limited set of them, regardless of the situation, and to approach change in an incoherent way that is not a part of a clearly planned strategy. When these ideas are implemented, then it is believed that the success of the organization is ensured to a large extent.

Noble (1999) suggests that strategy implementation often fails as a result of organizations' inability to identify and overcome potential implementation barriers. There is no consensus in the literature on the definition of a barrier to strategy implementation or growth (Barber et al., 1989). However, the exploratory interviews indicate a number of general barriers relating to the constraints or hindrances of strategy implementation. Some of these barriers are inadequate communication, prolonged implementation period, employees' incapability or incompetence, unclear goals and lack of proper co-ordination. Other barriers could be external distractions and unanticipated external environmental changes

2.3.3 Strategy Evaluation

Strategy cannot be formulated or adjusted to changing circumstances without a process of strategy evaluation. Whether performed by individual or as part of organizational review procedure, strategy evaluation forms an essential step in the process of guiding an organization. For many executives, strategy evaluation is just an appraisal of how well a business is performing. Has the business grown? Is the profit normal or better? If the answers to these questions are affirmative, it is believed the firm's strategy is sound. Strategy evaluation is an attempt to look beyond the obvious facts regarding the short term health of the firm and appraise instead those more fundamental factors and trends that govern success in the chosen field of endeavor. The quality of strategy evaluation and, ultimately, the quality of corporate performance, will be determined more by the organization's capacity for self-appraisal and learning than by the particular analytic technique employed (Ashby, 1954).

Business strategy evaluation answers these three questions: are the objectives of the business appropriate? Are the major policies and plans appropriate? Do the results obtained to date confirm or refute critical assumptions on which the strategy rests? Devising adequate answers to these questions is neither simple nor straightforward. It requires a reasonable situation-based knowledge and more than the usual degree of insight.

Strategy evaluation can take place as an abstract analytic task, perhaps performed by consultants. But most often it is an integral part of an organization's processes of planning, review, and control. In some organizations, evaluation is informal, only occasional, brief, and cursory. Others have created elaborate systems containing formal periodic strategy review sessions. In most firms comprehensive strategy evaluation is infrequent and, if it occurs, is normally triggered by a change in leadership or financial performance. The fact that comprehensive strategy evaluation is neither a regular event nor part of a formal system tends to be deplored by some theorists, but there are several good reasons for this state of affairs. Most obviously, any activity that becomes an annual procedure is bound to become more automatic. While evaluating strategy on an annual basis might lead to some sort of efficiencies in data collection and analysis, it would also tend to strongly channel the types of questions asked and inhibit broad-ranging reflection (Pearce and Robinson, 2007).

The major issue which make evaluation difficult and with which the analyst must come to grips is that each business strategy is unique (Pearce and Robinson, 2007). For example, one paper manufacturer might rely on vast timber holdings to weather almost any storm while another might place primary reliance in modern machinery and an extensive distribution system. Neither strategy is "wrong" nor "right" in any absolute sense, both may be right or wrong for the firms in question. Strategy evaluation must, then, rest on a type of situational logic that does not focus on "one best way" but which can be tailored to each problem as it is faced (Johnson and Scholes, 2003).

2.4 Purpose of Strategic Management

Why do organizations develop strategic plans? While the answer to this question might seem relatively straightforward, the answer can be quite complex. Of course, one of the commonly cited reasons for strategic management is to enhance organizational performance (Hahn and Powers, 1999; Shrader et al., 1984). Proponents of this rationale argue that well designed strategic plans provide an operational framework that allows the organization to enjoy distinct competitive advantages, thus experiencing improved performance (Porter, 1997). In some cases, the objective might be to trim overhead or reorganize existing resources within the same general strategic domain. In other cases, the organization might be intent on diversifying its products or services (Byrne, 1996). Another rationale for developing strategic plans could be to provide staff members within the organization information about the direction of the organization (as spelled out by the strategic plan) with the expectation that this information will elicit buy-in from these individuals (Stahl, 1998). An additional, but equally probable, rationale for developing strategic plans is to appease different constituencies of the organization. A not-for-profit organization, like a chamber of commerce for example, might develop a strategic plan to enhance the likelihood that the members of the local community or members of the political community will have favorable impressions of the organization. Finally, organizations might also develop strategic plans to appease funding sources or lending institutions. For example, a business with a relatively short financial track record might need a line of credit to fund future growth. The lending institution could, and probably would, require some type of business plan or strategic plan from this organization to protect the interests of the institution.

The apparent diversity in motives associated with strategic plans highlights the potential utility associated with strategic management. Indeed, well-developed strategic plans can result in a variety of benefits, including those mentioned above. It is important to note, though, that the magnitude of these benefits could be influenced by certain industrial characteristics. For example, Miller and Cardinal (1994) concluded that the relationship between strategic management and performance was more pronounced in organizations that operated in turbulent environments. Consequently, one such industry, in particular, that stands to benefit from well-developed strategic plans is the health care industry. In the last two decades, especially, the US health care industry has undergone considerable change (Stepanovich and Uhrig, 1999). This change has manifested itself through such events as major shifts (i.e. cuts) in government funding for health care services, technological advancements in medical treatment, and the pervasion of managed care and health maintenance organizations. Unfortunately, it does not appear that this trend of change will subside any time in the near future. Given the likelihood that the health care industry will continue to experience tumultuous change, it seems prudent to consider the potential benefits of strategic management within this industry. With these issues in mind, this article has a dual purpose. The first objective of the article is to provide practitioners across industries with a practical overview of some of the more salient issues associated with strategic plans. The second objective is to provide these practitioners with an illustrated example of how a preliminary strategic plan was developed for a growing health care provider. While the preliminary nature of this initial plan did not permit an examination of performance implications, other practical implications and lessons learned will be examined.

As Corrall (2000) points out, commentators have cited numerous purposes for strategic management. These can be summarized as, to clarify purpose and objectives, to determine directions and priorities, to encourage a broader-based longer-term view, to identify critical issues and constraints, to provide a framework for policy and decisions and to inform resource allocation and utilization. According to Johnson and Scholes (1997), the characteristics of strategic decisions are that they are likely to be concerned with or affect the long term direction of an organization, they are normally about trying to achieve some advantage for the organization and they are likely to be concerned with the scope of an organization's activities. Strategic decisions can be seen as matching the activities of the organization to the environment in which it operates, they can be seen as building or "stretching" an organization's resources and competencies to create, or capitalize on, opportunities and they may require major resource changes. Strategic decisions too, are likely to affect operational decisions and they will be affected not only by the environmental forces and resources available, but also by the values and expectations of those who have power in and around the organization (Johnson and Scholes, 1997).

According to Schulz (1998), there are a number of potential benefits which can arise from greater involvement in strategic management. These include: gaining a better sense of the individuals' roles in the organization, appreciating the interdependence of different areas of the organization, realizing a shared sense of vision and improving organizational communication and develop strategies for networking. More concrete benefits might include a general improvement in managerial and service effectiveness, new perspectives and insights, improved morale and motivation of staff, better customer relations, a raised profile, and better financial prospects.

2.5 Strategic Management Practices in Kenya

Most studies on strategic management have concentrated in the developed country context. Examples of studies on strategic management practices in Kenya include Aosa (1992), Mbayah (2001) and Busolo (2003) and commonly focus on strategy practices in the industrial and private sector firms. Studies done on public sector in Kenya include Kangoro (1998) and Otete (2003). Aosa (1992) studied on aspects of strategy formulation and implementation within large, private manufacturing companies in Kenya and found out that there were variations in the degree of strategic management practices by the companies with foreign companies being more involved in strategy development than the indigenous ones. Companies which maintained links between strategies and budgets were significantly more successful in implementing strategy than those not maintaining such links (Aosa 1992). Mbayah (2001) studied on strategy practices within commercial Internet service providers (ISPs) in Kenya and noted that ISPs practiced some form of strategic management in that they had written mission statements, set organizational plans and objectives and were involved in some form of competitor analysis, industry analysis and environmental scanning. Busolo (2003) studied on corporate strategic planning among motor vehicle franchise holders in Nairobi and found that they all engaged in corporate strategic planning and that top management had active interest in planning and overseeing implementation of planned activities.

In her study of strategic planning in public sector in Kenya, Kangoro (1998) concluded that there existed established missions, objectives and strategies in the public sector but there was lack of top management and employee commitment towards their implementation. Otete (2003) found that formal strategic planning is practiced in public sector with top down communication channels being used while the government influenced strategic planning process.

2.6 Conclusion

From a practical perspective, it appears that organizations can benefit from strategic management. There is evidence, albeit limited, those organizations in service industries that develop formal strategic plans performed better than industry counterparts who did not develop formal plans (Fulmer and Rue, 1974). This news should be encouraging to leaders in the humanitarian service sector who are contemplating the potential value of developing a strategic plan for their organizations.

In summary, the strategic management process can be as simplistic or complex as necessary. Most important is that the strategic plans are developed to consider the unique needs and context that the target organization is operating within. Further, and more importantly, the strategic plans should be viewed as a tool that evokes action within the organization and a living document that guides the activities of the organization in a purposeful manner, not some show-piece that is shelved upon completion.

CHAPTER FOUR: FINDINGS AND DISCUSSION

4.1 Introduction

This chapter covers the presentation of findings and discussions. It presents findings of the study on the strategic management practices in the Kenya Red Cross Society. Personal interviews were carried out with all the six targeted respondents (The Chief Executive Officer, The Deputy Chief Executive Officer, the Heads of Departments – Heath Care, Disaster, Organization Development and Capacity Building and Finance and Administration).

4.2 Profile of Respondents

4.2.1 Gender of Respondents

The gender of the respondents was recorded, which is in line with the Equal Employment Opportunity (DPM Kenya, 2007) proposal that encourages active participation of both genders in development activities. The findings show that out of the six respondents that were targeted, 4 (67%) were male while 2 (33%) were female. It can be concluded that the top management of KRCS is male dominated.

4.2.2 Length of Service

The respondents were asked to indicate the length of time they had worked in KRCS. It is assumed that the longer one has worked in an organization, the more the experience and understanding of the organization and hence, the more objective the responses would be. The responses are summarized and presented in table 1

Table 1: Length of service of respondents

Length of service of respondents in KRCS	Responses	
	Frequency	**Percentage**
Between 1 and 5 years	2	33
Between 6 and 10 years	2	33
Between 11 and 15 years	1	17
16 years and above	1	17
Total	**6**	**100**

Source: *Interviews*

The findings show that whereas none of the respondents had worked for KRCS for less than 1 year, majority of the respondents (67%) had worked in the organization for at least 6 years. Their responses were thus expected to be objective and informed.

4.2.3 Period Worked in Current Position

The respondents were asked to indicate the period of time they had worked in their respective positions. It is assumed that the longer one worked in a particular position, the more experienced one gained in the related area and hence the more objective the responses to the study would be. The responses are summarized and presented in table 2

Table 2: Period worked in current position

Length of service of respondents in KRCS	Responses	
	Frequency	**Percentage**
Less than 1 year	1	17
Between 1 and 5 years	3	50
Between 6 and 10 years	2	33
Between 11 and 15 years	0	0
Total	**6**	**100**

Source: *Interviews*

The responses show that while only one respondent had been in the current position for less than 1 year, 3 of the respondents had worked in their respective positions for between 1 and 5 years, 2 respondents had worked in their respective positions for between 6 and 10 years while none had worked in the current position for between 11 and 15 years. Since all the respondents (100%) had worked in their respective positions for at least 6 years, it is expected that the responses were objective and informed.

4.2.4 Duties and Responsibilities of the Respondents

The respondents were asked to indicate their respective duties and responsibilities. The question was meant to establish the extent to which the various study respondents understood their duties and responsibilities. The responses are summarized and presented in table 3

Table 3: Duties and Responsibilities of the Respondents

Position	Duties and Responsibilities
Chief Executive Officer	1. Coordinating function of all departments 2. Fundraising 3. Representing KRCS in various forums, such as Red Cross Annual Delegates, donors and development partners' meetings 4. Charged with setting the strategic direction of KRCS through the strategic management process
Deputy Chief Executive Officer	1. The principal assistant of the Chief Executive Officer 2. Undertakes assignments as delegated by the Chief Executive Officer and assumes all duties of the CEO in his absence
Head of Department–Health Care	1. Overall coordination and day to day management of the department 2. Responding to health care issues affecting beneficiaries in line with KRCS policies 3. Prepare plans and budgets for the projects in the department 4. Supervise, monitor and report strategy implementation 5. Appraise staff on performance in line with strategic objectives
Head of Department – Disaster Management	1. Overall coordination and day to day management of the department 2. Responding to disasters and other humanitarian emergencies as appropriate 3. Prepare plans and budgets for the projects in the department 4. Supervise, monitor and report strategy implementation 5. Appraise staff on performance in line with strategic objectives
Head of Department – Organization development and capacity building	1. Overall coordination and day to day management of the department 2. Undertaking all the Human Resources Management functions, including hiring, capacity building, motivation and welfare 3. Public Relations including media coverage and visibility of KRCS 4. Prepare plans and budgets for the projects in the department 5. Supervise, monitor and report strategy implementation 6. Appraise staff on performance in line with strategic objectives
Head of Department – Finance and Administrati on	1. Overall coordination and day to day management of the department 2. Budgetary and financial management; Donor financial reporting 3. Responsibility for safe custody of KRCS assets including finances 4. Prepare plans and budgets for the projects in the department 5. Supervise, monitor and report strategy implementation 6. Appraise staff on performance in line with strategic objectives

4.3 Strategic Management Practices in the Kenya Red Cross Society

4.3.1 Extent of Adoption of Strategic Management Practices in KRCS

In order to meet the first objective of the study, to establish the extent to which strategic management has been adopted in Kenya Red Cross Society, the respondents were asked a number of questions. These questions included, the role they play in the process, KRCS current strategic management practices, whether key performance indicators have been developed, how the results are communicated to the employees, current evaluation practices, success of any corrective actions and challenges faced in practicing strategic management. Their responses are as explained in the paragraphs below.

4.3.1.1 Role Played by Respondents in the Strategic Management Process

The findings show that the strategic management process at KRCS is participatory, all stakeholders are involved. Whereas the Chief Executive Officer is responsible for charting the strategic direction of the organization, the various heads of departments, including the Deputy Chief Executive Officer are involved in the strategic management process in their respective areas of jurisdiction. They are involved in environmental scanning, objectives setting, strategy formulation, strategy implementation, monitoring of progress and evaluation. The results are communicated to the various stakeholders, including the National Executive Council by the Chief Executive Officer.

The heads of departments coordinate the day to day running of their functions, planning for their functions, identifying budgeting requirements, and appraising staff in their departments on performance in line with the strategic objectives. Other staffs in various departments participate in the process by implementing the action plans as set in the log frames, providing relevant feedback on the plans, environmental scanning and adhering to set objectives.

4.3.1.2 Assessment of Strategic Management Initiatives

The respondents were asked to briefly describe the organization's current practices as relates to assessment of strategic management initiatives. The findings show that KRCS has been practicing formal strategic management since 2003. The current strategic plan covers the period 2006 to 2010. The objectives are formulated in line with the vision and mission of the organization.

The respondents further indicated that environmental scanning is done on a continuous basis and timely corrective actions taken appropriately in order to align strategy with the environment. They also indicated that they carry out continuous monitoring and control while choosing the best strategies to apply in various strategic situations. There is also broad involvement of all levels of stake holders including staff, government, board and beneficiaries.

4.3.1.3 Key Performance Indicators

The respondents were asked to indicate whether the organization has developed a set of key performance indicators or some other form of accountability to track the success of strategic management initiatives. The findings show that indeed the organization has developed a set of measurable key performance indicators against each functional objective. Each objective has specific activities whose expected results are clearly documented.

The level of achievement is assessed bi-annually and corrective measures taken as appropriate. A further analysis of the strategic plan indicates a need to closely match the key performance indicators to the strategies formulated as this seems to be lacking.

4.3.1.4 Communication of Assessment Results

The respondents were asked to indicate how the organization communicated assessment results to other employees and stakeholders of the organization. The findings show that besides the use of internal memos from the Chief Executive Officer, all the Heads of Departments are charged with the responsibility of communicating assessment results to all staff in their respective departments during meetings. The organization has a quarterly magazine (Reach Out) and other periodic reports that give feedback on the assessment results to staff and other stakeholders. The involvement of stakeholders at all levels ensures that the results are widely disseminated.

4.3.1.5 Evaluation Practices

The respondents were asked to indicate the organization's ongoing evaluation practices as it relates to strategic management initiatives. The findings show that evaluations are undertaken at departmental levels bi-annually. Mid-term reviews are carried out after every two years at management retreats, which usually last between 3 to 5 days. External experts are often engaged to evaluate strategy implementation. Action plans are usually developed and communicated to all responsible for taking the appropriate corrective measures.

When asked to give their rating of the organization's effectiveness at evaluating the impact of changes in the environment subsequent to initial strategy, the findings show that management rated KRCS highly. Some of the changes are occasioned by unexpected occurrences and developments in the environment, such as the 2007 post-election violence, Avian Flu, ethnic clashes in Mount Elgon in 2007, Tsunami in 2005 and torrential floods. In such cases, KRCS has been able to mobilize resources, which include staff, volunteers and funds to respond appropriately. In many instances, KRCS realized strategies are more of emergent rather than planned.

4.3.2 Factors that Influenced Adoption of Strategic Management in KRCS

In order to meet the second objective of the study, to determine the factors influencing the adoption of strategic management in Kenya Red Cross Society, the respondents were asked to indicate the factors that could have contributed to the KRCS's adoption of strategic management practices. The respondents indicated that these factors include (in rank order), for purpose of sourcing funds from local and international donors and in order to adapt the strategies of the Red Cross Movement. Other factors are, to strategically position KRCS in the NGO industry, to align

KRCS with national development goals in Kenya, to direct and keep staff and volunteers focused and to serve Kenyans more effectively and efficiently. These factors can be narrowed into three categories namely, fundraising and positioning (sourcing funds and positioning KRCS in the NGO industry), alignment (to international and local situations such as adapting to Red Cross movement strategies and national development goals) and service (service to Kenyans and giving direction to staff and volunteers. Generally it appears the strategic management process is broadly driven by the need to raise funds in order serve Kenyans.

4.3.3 Challenges Faced by KRCS in Implementation of the Strategic Plans

In order to meet the third objective of the study, to identify the challenges faced by Kenya Red Cross Society in applying strategic management, the respondents were asked to list and briefly explain some of the challenges faced by KRCS in implementation of the strategic plans. Multiple responses were encouraged. The findings indicate that the main challenges are that the organization deals with emergencies that occur frequently, are enormous and occasionally unprecedented, and sometimes lack the capacity to respond adequately, political interference and insecurity in the main areas of operations such as Mt Elgon.

Other major challenges highlighted by majority of the respondents included, financial constraints, inadequate staff and volunteer capacity, staff turnover and difficulty in maintaining volunteers for long because of lack of high incentives to motivate them. Other challenges are, poor infrastructure in Kenya, negative media publicity – implying that volunteers are selling relief supplies that are meant for beneficiaries and lack of clear understanding of the strategic plan by low cadre employees. Very high expectations from the beneficiaries whose numbers are overwhelming and dealing with emergencies of all forms, hence little time allocated for evaluation and impact assessment. Sometimes it takes long from the time an appeal is launched for funding a disaster response and when the funding is received. This causes distress both to KRCS and the beneficiaries. In some instances, when the organization fails to adequately account and report to a donor, the donor may withdraw future funding causing budgetary constraints.

The respondents were further asked to suggest possible interventions that could be employed in order to minimize effects of the challenges identified above. The main interventions mentioned by all study participants were, staff and volunteers capacity building such as training and development, this can be done through formal or field training and also through visits to other countries to exchange experiences. Educating staff and volunteers more on strategic plans and what their contribution would be and carrying out strategic plans evaluation with continuous feedback to all stakeholders. Other interventions suggested by almost all study participants were, seeking financial self sustainability such as investing surpluses and starting more income generating projects like the Red Court Hotel, more public relations, scale up visibility in the country, build image and partnering with other national societies within the region.

Other suggestions were, sourcing for more donor funding and diversifying the funding sources, improve on accountability and transparency in donor reporting, recruiting and training more volunteers to ease staff workload. Motivate volunteers more through use of better incentive schemes, partner more with other NGOs in the region and lobbying the government to improve security and infrastructure in the country.

The proposed interventions revolve around, donor funding, capacity building and human resources management, partnerships with similar organizations locally and regionally, visibility/ image building, lobbying and active communication of strategic plans to stakeholders. Given that the respondents are involved in the strategic management process at various levels, the proposed interventions are valid and need to be acted on.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

This chapter presents a summary of the findings, conclusions and recommendations. The study was guided by the following objectives, to establish the extent to which strategic management has been adopted in Kenya Red Cross Society, to determine the factors influencing the adoption of strategic management in Kenya Red Cross Society and to identify the challenges faced by Kenya Red Cross Society in applying strategic management. The following are the key findings of the study.

5.1.1 The Extent to Which Strategic Management has been Adopted in KRCS

The findings indicated that KRCS has adopted strategic management practices to a great extent. The organization has been practicing formal strategic management since 2003. The current strategic plan covers the period 2006 to 2010. The objectives are formulated in line with the vision and mission of the organization. KRCS has developed a set of key performance indicators. There is a measurable performance indicator against each functional objective. The level of achievement is assessed bi-annually and corrective measures taken as appropriate. An action plan is usually developed and communicated to all responsible for taking the appropriate action.

5.1.2 Factors Influencing the Adoption of strategic Management in KRCS

These factors have been narrowed into three categories namely, fundraising and positioning (sourcing funds and positioning KRCS in the NGO industry), alignment (to international and local situations such as adapting to Red Cross movement strategies and national development goals) and service (service to Kenyans and giving direction to staff and volunteers. Generally it appears the strategic management process is broadly driven by the need to serve raise funds in order to serve Kenyans better.

The broad factors that influenced adoption of strategic management in KRCS are to, strategically position KRCS in the NGO industry, effectively and efficiently serve Kenyans, source for funds from local and international donors, adapt strategies of the Red Cross movement and align the organization with the national development goals in Kenya.

5.1.3 Challenges Faced in the Implementation of Strategic Management in KRCS

The challenges faced by KRCS in implementation of the strategic plans include, emergencies occurring frequently hence, overstretching the available resources, budgetary constraints, political interference and poor infrastructure in Kenya. There is also negative media publicity, difficulty in maintaining volunteers for long periods of time and very high expectations from the beneficiaries whose numbers are overwhelming. Bureaucratic practices in the government to mandate timely action, insecurity in some areas of Kenya such as Mt Elgon, lack of clear understanding of the strategic plan by low cadre staff and volunteers and dealing with emergencies of all forms hence, little time allocated for evaluation and impact assessment are also experienced. The proposed interventions revolve around, donor funding, capacity building and human resources management and to partnership with similar organizations locally and regionally. KRCS should also build visibility and image, and clearly communicate strategic plans to all stakeholders.

5.2 Conclusions

It can be seen that organizations can benefit from strategic plans, which should encourage leaders in the humanitarian aid sector who are contemplating the potential value of developing a strategic plan for their organizations. These benefits include better fundraising capacity and better service to beneficiaries. Findings of this study show that enhanced organizational performance is one of the factors influencing adoption of strategic plans. This concurs with the finding in literature review that one of the commonly cited reasons for strategic planning is to enhance organizational performance (Hahn and Powers, 1999; Shrader et al., 1984). Proponents of this rationale argue that well designed strategic plans provide an operational framework that allows the organization to enjoy distinct competitive advantages, thus experiencing improved performance (Porter, 1997).

Also cited is the motive to trim overhead or reorganize existing resources within the same general strategic domain. According to Byrne (1996), the organization might be intent on diversifying its products or services. Another rationale for developing strategic plans could be to provide staff members within the organization information about the direction of the organization (as spelled out by the strategic plan), with the expectation that this information will elicit buy-in from these individuals (Stahl, 1998). The study findings concur with Stahl's argument.

According to Miller and Cardibnal (1994), organizations might also develop strategic plans to appease funding sources or lending institutions. For example, a business with a relatively short financial track record might need a line of credit to fund future growth. The lending institution could, and probably would, require some type of business plan or strategic plan from this organization to protect the interests of the institution. The findings of the study corroborate the argument by Miller and Cardibnal.

5.3 Recommendations

5.3.1 Recommendations for Policy and Practice

Based on the findings of the study, it is expected that the stakeholders, who include the personnel charged with the responsibility of charting the strategic direction of the organizations will gain a better understanding of the factors that influence adoption of outsourcing, the challenges of implementing strategic plans and the possible interventions that could be employed to minimize the effects of the challenges. Well developed strategic plans are formidable weapons for the organizations in acquiring and sustaining a competitive edge.

The researcher recommend that environmental scanning be carried out on a continuous basis, to enable acquisition and use of information about events, trends, and relationships in an organization's external environment, the knowledge of which would assist management in planning the organization's future course of action. The organizations ought to scan the environment in order to understand the external forces of change so that they may develop effective responses that secure or improve their position in the future. This will enable them to avoid surprises, identify threats and opportunities, gain competitive advantage, and improve long-term and short-term planning.

Involvement of all stakeholders is also recommended. In order to formulate and implement effective strategic plans, there is need to make the planning process participatory, with contributions from all stakeholders. Simplifying the plans for better understanding by all stakeholders including low cadre staff is also useful. This will enhance ownership by all stakeholders, hence the necessary support required.

The researcher also recommend the following key issues to be put into consideration in order to achieve and sustain strategic planning practices in the turbulent environment. The key to achieving and sustaining significant change is changing the basic ways of thinking within the organization. Change management requires leadership, poses both personal and organizational stresses and challenges, and, if not done or done poorly makes things worse. In addition, changes need to be implemented over the long term, with careful attention to the disruptive aspects of change management. Periods of intense change need to be followed by periods of consolidation. Skipping steps creates only an illusion of speed and never produces a satisfying result.

5.3.2 Recommended Areas of Further Research

The findings of this study, it is hoped, will contribute to the existing body of knowledge and form a basis of further research for future researchers. The following areas are suggested for further research. Whereas the current study focused on responses from the senior management of the KRCS, future studies should focus on responses from the employees, volunteers, donors and beneficiaries. Future studies should seek to establish the nature, extent and adoption profile of strategic management practices within the private and public organizations in Kenya.

5.4 Limitations of the Study

The researcher faced difficulties in getting KRCS staff spare time to meet and carry out interviews due to their busy time schedules dealing with emergency responses and reporting. This resulted to relatively shorter interview sessions than expected hence, failure to give full information. Some respondents felt that they were giving out too much information and were at times hesitant to respond. This resulted, to some extent, in less detailed information than expected to complete this study. The study was also carried out within a short period of time and therefore, concentrated only on senior management of KRCS. The researcher feels that the study would have been richer if other staff and stakeholders were also interviewed. However, the findings are adequate to respond to the objectives of this study.

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APPENDIX I: LETTER OF INTRODUCTION

MARY WANJIRU MWANGI
UNIVERSITY OF NAIROBI
P.O. BOX 30197
NAIROBI

<u>6TH SEPTEMBER, 2008</u>

TO: PROFESSIONAL COLLEAGUES

<u>REF: RESEARCH STUDY</u>

I am currently undertaking a research study on **STRATEGIC PLANNING PRACTICES IN THE KENYA RED CROSS SOCIETY.** The research is towards the partial fulfillment of the requirements for the award of the Degree of Master of Business Administration of the University of Nairobi.

In this regard I request for your support in providing information through personal interview. The information you give will be treated in strict confidence and will not be divulged to anyone whatsoever. However, if need be, the study results will be shared with you.

The questionnaire is divided into two sections. Please complete each section as instructed. Do not write your name or any other form of identification on the questionnaire.

Thanking you in advance.

Yours faithfully,

APPENDIX II: INTERVIEW GUIDE

This interview guide has been designed to collect information from selected staff of the Kenya Red Cross Society and is meant for academic purposes only. Please feel free to participate in the discussion. All the information you provide will be treated in confidence.

SECTION I: BACKGROUND INFORMATION

1. Name of Department/Function (Optional) ____________________

2. Gender ____________________

(a) Male [ ]

(b) Female [ ]

3. For how long have you worked in Kenya Red Cross Society? (Tick as appropriate)

(a) Less than 1 year [ ]

(b) Between 1 and 5 years [ ]

(c) Between 6 and 10 years [ ]

(d) Between 11 and 15 years [ ]

(e) 16 years and above [ ]

4. For how long have you worked in your current department/function? (Tick as appropriate)

(a) Less than 1 year [ ]

(b) Between 1 and 5 years [ ]

(c) Between 6 and 10 years [ ]

(d) Between 11 and 15 years [ ]

(e) 16 years and above [ ]

5. Current position ____________________

6. For how long have you been in your current position? ______________________

7. Please list and briefly explain your duties and responsibilities

____

____

____

____

SECTION II: STRATEGIC MANAGEMENT PRACTICES IN THE KENYA RED CROSS SOCIETY

8. What role do you play in the strategic management process in your organization?

____

____

____

9. Briefly describe the organization's current practices as relates to assessment of strategic management initiatives

____

____

____

10. Has the organization developed a set of key performance indicators or some other form of accountability to track the success of strategic management initiatives? If yes, please explain.

____

____

____

11. How does the organization communicate assessment results to other employees in the organization?

12. What are the organization's ongoing evaluation practices as it relates to strategic management initiatives?

13. Has the organization been successful at identifying corrective action when strategic initiatives are failing or could be improved? How long does this take? Please explain.

14. How can you rate the organization's effectiveness at evaluating the impact of changes subsequent to initial strategy formulation?

15. What factors could have contributed to the KRCS's adoption of strategic management practices?

16. Please list and briefly explain some of the challenges faced by KRCS in implementation of the strategic plans.

17. Please suggest possible interventions that could be employed in order to minimize effects of the challenges identified above.

THANK YOU